

# Virginia Leads States With Most U.S. Contractors: BGOV Insight

By Brian Friel | June 11, 2012 05:03PM ET

(Bloomberg) -- Thirty of the federal government's top 200 contractors are based in Virginia, more than any other state, a Bloomberg Government analysis found.

Virginia's dominance reflects the importance of proximity to the Pentagon for contracting with the Defense Department, which controlled 70 percent of the \$532.6 billion in fiscal 2011 federal procurement.

Virginia-based contractors include [General Dynamics Corp.](#), the No. 3 company in the BGOV200 rankings, [Northrop Grumman Corp.](#), No. 5, and [Computer Sciences Corp.](#), No. 15. All three are based in Falls Church, a 20-minute drive from the Pentagon. All three receive a majority of their federal contract dollars from the Defense Department.



Virginia has three times more contractors than the other two jurisdictions in the Washington, D.C., metro area combined. Maryland is home to seven BGOV200 contractors. The District of Columbia hosts four, three of them government agencies acting as prime contractors: the General Services Administration, the Energy Department and the Justice Department's Federal Prison Industries Inc., or Unicom, a prison labor program that makes furniture and provides other goods and services to federal agencies.

The lone BGOV200 company based in Washington, D.C., is [Chemonics International Inc.](#), the top contractor for U.S. Agency for International Development.

## California Comes Second

The second most popular home for BGOV200 companies is California, with 19. They include three major research universities -- [Stanford](#), [California Institute of Technology](#) and the [University of California System](#) -- and a wide range of companies.

[McKesson Corp.](#), the Veterans Affairs Department's primary pharmaceutical distributor, is based in San Francisco. Pasadena is the headquarters for [Jacobs Engineering Group Inc.](#), a construction and professional services company, whose biggest government customers include the Defense Department and NASA.

Thirty-five states and the District of Columbia serve as home bases for the 170 domestic BGOV200 contractors.

## Seven U.K. Companies

Thirty foreign-based companies and organizations also are among the top 200 contractors. The prevalence of foreign contractors demonstrates the impact of trade agreements that require fair consideration of foreign-owned companies by U.S. government buyers.

Seven companies based in the U.K. are among the top 200 contractors in fiscal 2011, making it the top overseas headquarters location for U.S. government contractors. The U.S. and U.K. are both parties to the World Trade Organization's [Agreement on Government Procurement](#).

London-based defense contractor [BAE Systems PLC](#) is the highest ranked foreign-based company in the BGOV200. Its \$7.3 billion in prime, unclassified contract awards in fiscal 2011 gave it the No. 9 ranking, ahead of No. 10 Newport News, Virginia-based shipbuilder [Huntington Ingalls Industries Inc.](#), and No. 11 ground vehicles manufacturer [Oshkosh Corp.](#), based in Oshkosh, Wisconsin.

Other British companies making the BGOV200 rankings include London-based oil company BP PLC, West Sussex-based security services company G4S PLC, and London-based research company QinetiQ Group PLC.

The Netherlands was the second most common home for foreign-owned BGOV200 contractors. Aerospace company EADS NV, oil company Royal Dutch Shell PLC, and food logistics company [Supreme Foodservice AG](#) are based in the Netherlands.

## Oil and Land Claims

Nine of the 30 foreign-based BGOV200 contractors are oil companies selling predominantly to the Pentagon. They include [Bahrain National Oil Co.](#) and [Kuwait National Petroleum Co.](#)

Some BGOV200 contractors were created to serve the U.S. government. Alaska is home to five BGOV200 companies. All are Alaska Native Corporations that can win federal contracts without competition. The corporations were established under legislation enacted in 1971 to settle land claims by indigenous Alaskans.

The highest ranked BGOV200 Alaska Native company was [Arctic Slope Regional Corp.](#), whose \$700.8 million in fiscal 2011 contracts made it No. 96 of the BGOV200.

The top 200 rankings are drawn from a June 7 Bloomberg Government study, "BGOV200: Federal Industry Leaders 2012." A companion publication, BGOV200 Company Profiles, includes more information about each of the top contractors. The rankings are by value of prime, unclassified contract dollars in fiscal 2011.

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